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World Leaders To Attend Andropov's Funeral^a

West Germany	Chancellor Kohl
France	Prime Minister Mauroy
Belgium	Prime Minister Martens
Norway	Prime Minister Willoch ^b
	Crown Prince Harald
Finland	President Koivisto ^b
Portugal.....	Prime Minister Soares ^b
Canada	Prime Minister Trudeau
Japan.....	Foreign Minister Abe
India	Prime Minister Gandhi
Pakistan.....	President Zia
Cuba	President Castro

^a Information as of 0200 EST.

^b Attendance likely but not certain.

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USSR: The Transition Begins

The appointment of party secretary Chernenko to head the funeral commission makes him the front-runner to succeed Andropov as party leader.

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The initial reaction in Moscow to Andropov's death has been outwardly calm. There have been no signs of extra security measures being taken or unusual street or troop activity. Somber music dominates but does not monopolize the airwaves.

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Comment: The appointment of Chernenko is the first clue that he may already have been picked by the Politburo or is the leading contender to become general secretary. Andropov was named head of Brezhnev's funeral commission the day before the Central Committee formally elected him general secretary.

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Some powerful members of the Politburo, however, may be opposed to the choice of Chernenko as Andropov's successor. The selection will not be official until ratified by a meeting of the Central Committee, almost certainly before the funeral.

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The subdued public atmosphere in Moscow appears to be part of an official effort to project an image of business as usual. These public displays of calm, however, may mask considerable infighting in the leadership and a power struggle.

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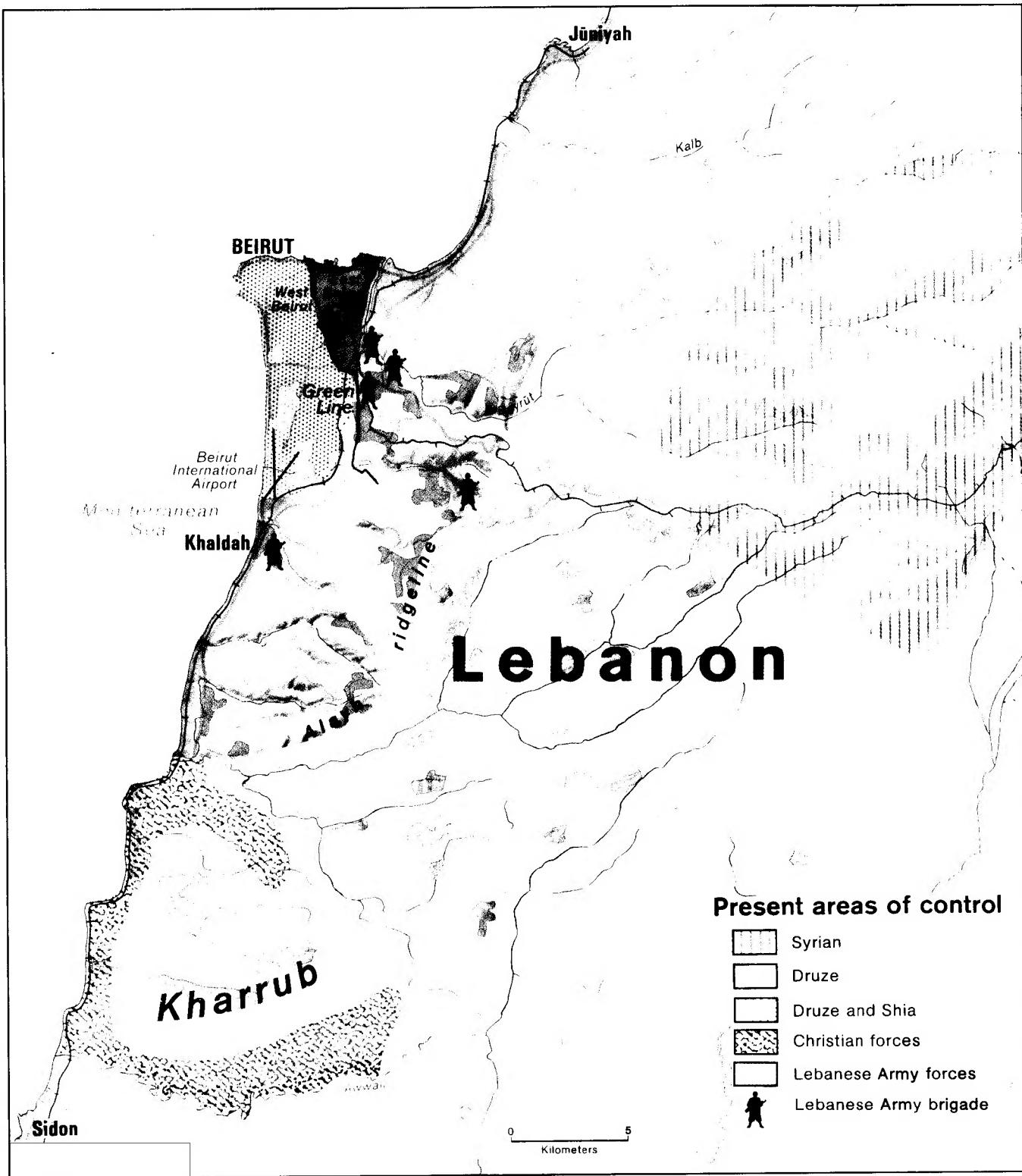
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LEBANON: Gemayel Holds On

President Gemayel and his advisers are continuing to seek increased US or Israeli support instead of coming to terms with the opposition's demands. [redacted]

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Druze militiamen who surround the US Embassy in Beirut did not interfere with the partial evacuation of US citizens yesterday. The Embassy reports that most Druze and Muslim fighters in West Beirut do not appear hostile toward US citizens. Press reports, on the other hand, say that radical Shias—who are vehemently anti-US—[redacted] are roaming the streets.

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Comment: Gemayel and the Christian community have been encouraged by US naval gunfire directed against their opponents. They continue to hope that massive US or Israeli intervention will prevent further gains by the Druze and Muslims. [redacted]

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Gemayel thus far has avoided making significant concessions to the demands of his opponents. He refuses to accept that opposition control of West Beirut requires him to take far-reaching conciliatory action. He views the situation as essentially a security problem that can somehow be solved by foreign intervention. [redacted]

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In the absence of US or Israeli assistance, Gemayel presumably will continue to stall for time. He is reluctant to name a government of national unity that includes opposition figures, because he knows that it would undermine his authority and preclude military operations against Druze and Shia positions. His freedom of action also may be limited by his coreligionists. [redacted]

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The Druze and Muslims, however, will not allow him to temporize indefinitely. They want their demands to be met, and they are growing impatient with Gemayel's refusal either to act or to resign. [redacted]

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FRANCE-LEBANON: Advocating a UN Force

The French are still promoting their idea to put a UN force in Beirut, and they are publicly disassociating themselves from recent US actions.

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French diplomats have told the US Embassy in Damascus that they are working on a plan to insert an international force in Lebanon to replace the MNF. Paris claims to have indications that Syria and the USSR will support a UN-sponsored force under certain conditions. The French also state, however, that Damascus and Moscow will not accept the participation of troops from the permanent members of the UN Security Council and that they want the MNF to withdraw completely from Lebanon and its territorial waters.

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French diplomats in Washington, meanwhile, have asked for assurances that the evacuation of US personnel from Beirut does not presage US military operations in the city itself. They have told US officials that Paris does not want to be associated in any way with announcements of evacuation.

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Comment: The French may launch an initiative in the UN Security Council to establish a UN force in Beirut, even in the absence of much support. The USSR probably will follow Syria's lead on the issue, but planned US withdrawals may reduce Soviet interest in supporting proposals for a UN force.

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France may adopt an even more visibly independent position in Lebanon and the Middle East. Paris probably believes that US shelling of the Shuf may endanger French forces and civilians still in Beirut.

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The French also are likely to revive their efforts to find a broad solution in the Middle East. They may consult with Egyptian President Mubarak in Paris on a revision of the French-Egyptian initiative, which calls for negotiations based on broad acceptance of the Palestinians' right of self-determination.

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EL SALVADOR: Insurgents' Election Tactics

The guerrillas' latest peace proposal is part of their strategy to undermine the election scheduled for 25 March.

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The insurgent initiative contains 20 points designed to establish a basis for negotiations with San Salvador and Washington, according to press reports. Key provisions include guerrilla participation in a provisional government and the reorganization of the military. The insurgents also advocate economic and social reforms and take positions on broad foreign policy issues, such as participation in the Nonaligned Movement.

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Insurgent political leaders deny that the guerrillas will use military action to disrupt the election. Nonetheless, some spokesmen have stated that harassing attacks against cities and the transportation network will continue both before and after the vote.

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Comment: The guerrillas know that their demands for sharing power and reorganizing the military remain unacceptable to all elements of the government. Nonetheless, by promulgating a broader and more detailed proposal, they probably hope to demonstrate their political maturity, increase their international support, and cause dissension in both Washington and San Salvador.

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The insurgents remember their failure to block the election in 1982, and they may fear that a general offensive would not be successful and would provoke adverse international reaction. Nonetheless, they may attempt spectacular operations against some cities, military garrisons, and public utilities. The guerrillas almost succeeded in seizing a departmental capital in the east before the last election, and they appear capable of making a stronger effort this time.

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UK-US: Labor Party Leader's Visit

Labor Party leader Kinnock, who arrives in Washington tomorrow, wants to use the trip to improve his credibility as a potential prime minister. [redacted]

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Comment: Kinnock has deep philosophical differences with Washington's foreign and domestic policy, but he recognizes that a British political leader has to demonstrate an ability to work with the US. His visit is part of a systematic effort to improve his standing as a statesman. Last month he visited France and Greece, and he plans a trip to the USSR in the near future. [redacted]

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Kinnock has succeeded in portraying himself as a politician who has persuaded his party to take a more moderate stance in domestic affairs. Recent opinion polls have shown Labor regaining support, largely at the expense of the Social Democratic-Liberal Alliance.

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The Labor leader says he supports NATO and favors stronger conventional forces, but he also advocates unilateral nuclear disarmament. In his discussions in Washington, however, Kinnock probably will play down moral objections to nuclear weapons and emphasize that the UK can no longer afford a nuclear arsenal. [redacted]

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Although Kinnock will want to reassure US officials that he is not anti-US, he continues to appeal to growing British suspicions of US intentions. He has attacked "US-controlled cruise missiles" and portrayed Prime Minister Thatcher as a US puppet. [redacted]

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In addition, Kinnock has told US officials in London that he does not believe the British derive much benefit from their close association with Washington. He apparently believes instead that the UK should use its position as leader of the Commonwealth to bridge differences between the West and the Third World. [redacted]

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Party leftists suspect that Kinnock, in order to be elected prime minister, might compromise on defense issues. Nevertheless, Kinnock's convictions and pressure from leftwing activists make it unlikely that he would be able or willing to do much to accommodate Washington's concerns. [redacted]

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USSR-EASTERN EUROPE: Oil and Gas Export Plans

The USSR evidently will not make substantial cuts in oil supplies to East European countries this year as it did in 1982, but it plans eventual increases in gas exports to offset reductions in oil deliveries.

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The US Embassy in Moscow concludes that the Soviets did not cut oil deliveries to the East European members of CEMA last year and that no reductions are likely in 1984. Poland, however, reportedly reached an agreement with the USSR that would gradually increase Polish annual gas purchases from 6 billion to 11 billion cubic meters. The agreement calls for construction of a new gas pipeline from the USSR's border to Warsaw. [redacted]

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The Soviets also are trying to increase gas sales to the Balkan countries, including Turkey and perhaps Greece. A Turkish foreign trade official, who headed a delegation to Moscow late last month, said his country would purchase up to 4 billion cubic meters annually, depending on the price. The gas, for consumption in Istanbul and Turkish Thrace, would be delivered through a branch from the existing Bulgarian pipeline. [redacted]

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Soviet trade officials in Bucharest said gas exports to Romania would increase beginning in 1986. Athens has asked Soviet experts to study the possibility of constructing a pipeline extension into Greece from Bulgaria. [redacted]

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Comment: The Soviets have recently stressed the importance of increasing economic cooperation within CEMA. The Soviet-Polish agreement, however, and the addition of Turkey and possibly Greece to the Balkan pipeline already supplying Romania and Bulgaria indicate that the Soviets for practical reasons are favoring bilateral arrangements over a new CEMA gas project. [redacted]

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East Germany, Czechoslovakia, and Hungary could be supplied from the second Siberian line to Uzhgorod, which also could carry additional gas for West European customers if demand picks up later in the decade. The Soviets are likely to reach agreements to increase gas supplies that could compensate for cutbacks in oil deliveries to Eastern Europe in a few years. [redacted]

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USSR-LEBANON: Calls for Gemayel's Resignation

Soviet media for the first time are publishing demands by Lebanese factional leaders that President Gemayel resign. The head of the pro-Moscow Lebanese Communist Party claimed on Wednesday that replacing Gemayel seems to be the key to resolving the crisis. [redacted]

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Comment: The change suggests that Moscow believes Gemayel will not remain in office much longer. The Soviets themselves are unlikely to call for his resignation, in order to avoid the appearance of interfering in Lebanese internal affairs. If Damascus were to decide it can work with Gemayel, Moscow would support this course. [redacted]

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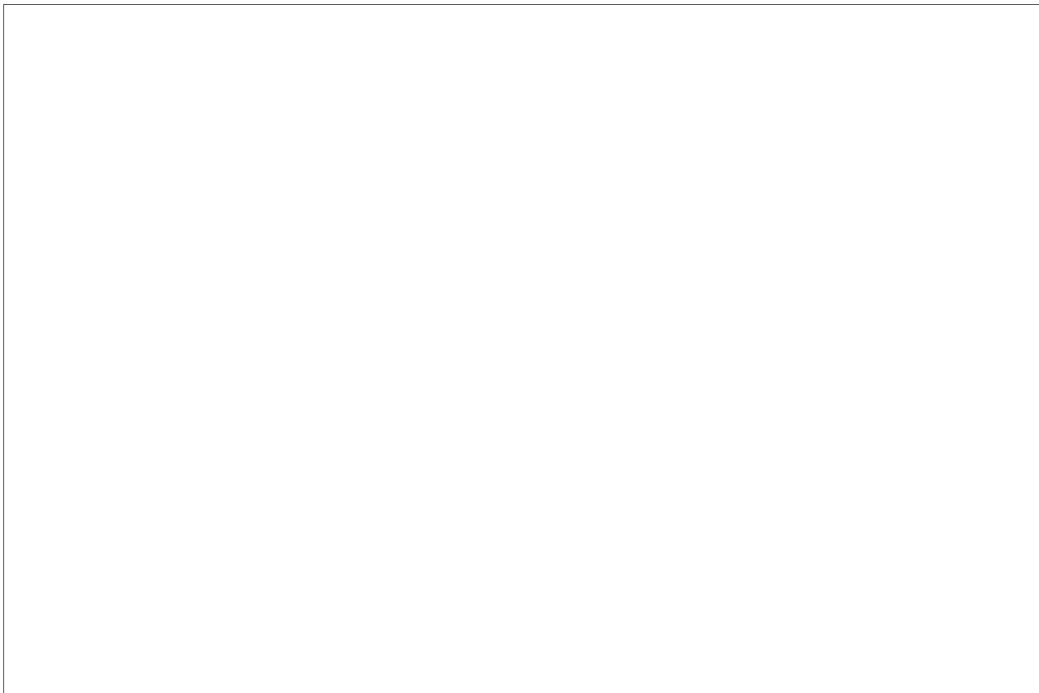
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EUROPE: Conference on Balkan Cooperation

Diplomats from Greece, Turkey, Bulgaria, Romania, and Yugoslavia will reconvene in Athens on Monday to discuss regional cooperation, including the possibility of creating a Balkan nuclear-weapons-free zone. Turkey decided to participate fully in the conference only after the other four countries agreed in a meeting last month to relegate the nuclear issue to last place on the agenda. That meeting was held under the auspices of Greek Prime Minister Papandreu, who also is responsible for the impending session. The first meeting was devoted entirely to accommodating Ankara's concerns and was uneventful.

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Comment: There is a wide divergence of views on disarmament among the participants, and a consensus on a nuclear-weapons-free zone is unlikely. A consensus is also unlikely on less controversial economic and political issues. The representatives, however, may agree to hold future meetings on cooperation—possibly at a higher diplomatic level.

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JAPAN-USSR: Talks in Moscow Scheduled

Japanese press reports say that Deputy Foreign Minister Nakajima will hold working-level discussions in Moscow next month with Soviet Deputy Foreign Minister Kapitsa. Tokyo stated yesterday that it does not expect Andropov's death to affect planning for the meeting.

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The Soviet party's senior expert on Japan took a conciliatory line on several contentious issues in interviews with Japanese reporters last week.

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Comment: The talks in Moscow will be the fourth round of annual consultations and—judging from the previous meetings—will focus on international as well as bilateral issues. The recent Japanese and Soviet actions indicate that both sides want to create a better atmosphere for their relations, and they may work out an understanding next month to facilitate the long-pending visit by Foreign Minister Gromyko. No breakthrough is likely, however, on the key issues of conflicting claims to the Northern Territories and Japan's security ties with the US.

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CHINA-USSR: Annual Trade Agreement

The trade accord announced yesterday in Beijing indicates that Sino-Soviet trade this year is to increase by 60 percent over 1983—to some \$1.2 billion. The commodities to be traded—including steel, timber, food products, and textiles—will be similar to those exchanged in the past. China's treatment of the Soviet trade delegation was more positive than in the past, with a Chinese vice premier hinting at Beijing's interest in establishing a "long-term trade program" with Moscow.

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Comment: The new increase follows a doubling of trade last year. It reflects continuing efforts on both sides to ease tensions without compromising on basic security and political issues.

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SUDAN: Attack on Construction Camp

The US Embassy reports that dissidents yesterday attacked a compound of the French contractor that is building a canal to increase the flow of the Nile River. The unidentified dissidents took six French nationals hostage, and the remaining employees are being evacuated. Meanwhile, Chevron officials were planning to talk to President Nimeiri yesterday about the future of their company's operations in Sudan following the attack last week on a Chevron base camp. [redacted]

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Comment: The attack was the third in nine days on Western companies operating in southern Sudan. The French contractor, which suspended operations last November following the kidnaping of nine workers, may decide to abandon the project. More attacks are likely. The dissidents see both the canal project and Chevron's oil exploration as developments that primarily will aid the north. [redacted]

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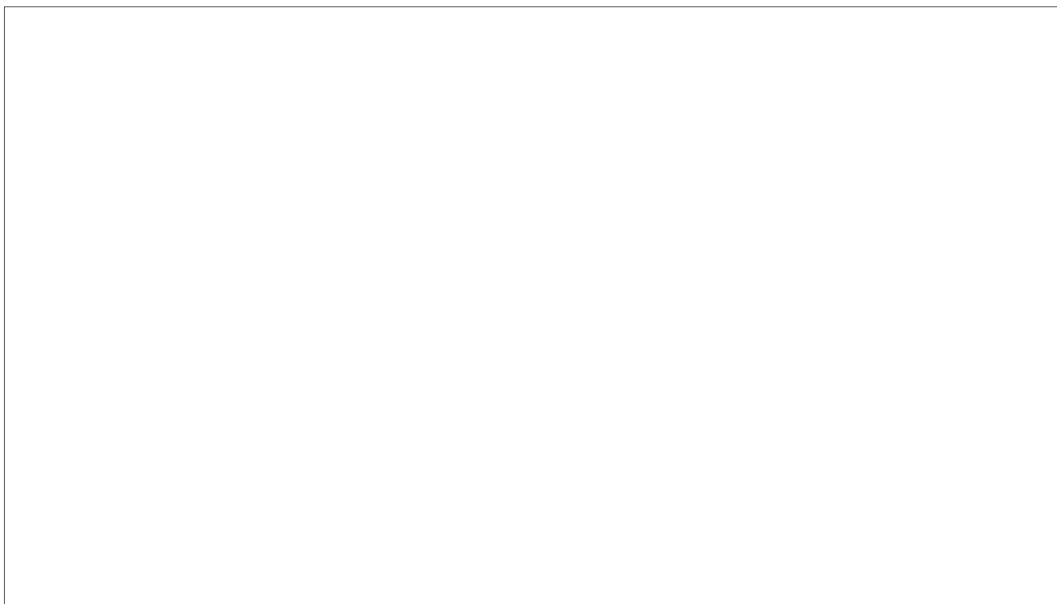
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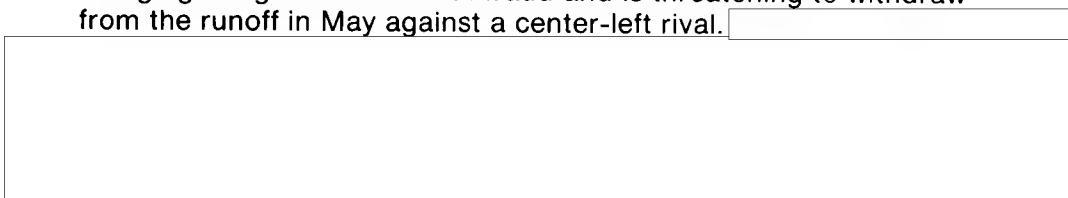


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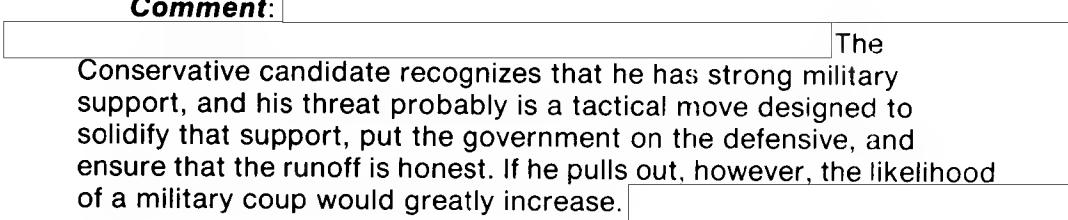
ECUADOR: Charges of Election Fraud

Conservative presidential candidate Febres Cordero, who finished a close second in the first round of the election last month, is charging the government with fraud and is threatening to withdraw from the runoff in May against a center-left rival.

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Conservative candidate recognizes that he has strong military support, and his threat probably is a tactical move designed to solidify that support, put the government on the defensive, and ensure that the runoff is honest. If he pulls out, however, the likelihood of a military coup would greatly increase.

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Special Analysis

USSR: Andropov's Legacy and the Succession

When Yuriy Andropov died—only 15 months after he became party general secretary and only six months after he became head of state—he had accumulated more personal power than any of his predecessors in a comparable period. Nevertheless, his tenure was so brief, and his absences from the job so lengthy, that his regime will be known more for what it set in motion than for what it accomplished. Andropov has left his ultimate successor the same economic, social, military, and foreign policy problems that he failed to resolve.

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Continuity was the main theme of both domestic and foreign policies during Andropov's rule. His cautious approach in pushing for major changes, the entrenched political opposition, bureaucratic resistance to important policy changes, and his deteriorating health made it impossible for him to have a significant impact on Soviet politics or policy.

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On domestic issues, Andropov tried to overcome the apathy of Brezhnev's last year by concentrating his attention on the need to rejuvenate the elite and revitalize the economy. Andropov chose the discipline and anticorruption campaigns to set the tone for his regime and to attain at least a short-term gain in productivity. He also strongly endorsed party secretary Gorbachev's attempt to refocus Brezhnev's food program on incentives rather than on organizational measures.

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Andropov's approach, however, was to try to make the system function better rather than change it fundamentally. He insisted that order and discipline were the prime prerequisites. Andropov's ability to follow through with tough personnel actions suggests that this approach was agreed to by a core of Politburo members and that it might continue.

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In the realm of foreign affairs, Andropov made no important departures from Brezhnev's policies. He paid personal attention to arms control measures, and, even after the beginning of his lengthy illness, he assumed a major role in putting forth new Soviet proposals. Under Andropov, the Soviets launched a propaganda offensive in response to NATO's INF deployments.

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Despite Andropov's experience in foreign policy, however, the USSR's international position did not improve during his time in power. In some cases, such as the USSR's relations with West European countries, he bequeaths to his successors a more troubling set of problems than he inherited. [redacted]

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The Succession Process

The decision on a new general secretary will be made public in the next day or so at a meeting of the Central Committee. The naming of party secretary Chernenko to chair the funeral commission is a strong indicator that the Politburo may have chosen him to replace Andropov as party leader. Nevertheless, the probable opposition to Chernenko from some of the powerful members of Andropov's team still raises some questions about the certainty of such a move. [redacted]

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There is less political urgency to fill Andropov's largely ceremonial Supreme Soviet post. After Brezhnev's death, the position remained vacant for eight months. Although there is no formal requirement to give this post to the new party leader, the precedents established by Brezhnev and Andropov suggest that the Politburo is now inclined to do so. [redacted]

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More important, it seems likely that the post of Defense Council chairman also will be acquired by the new party leader. Indeed, while these posts are formally separate, the jobs may be intended to go together. Both Brezhnev and Andropov evidently acquired this function when they became general secretary, although formal announcement was not made for a year in Brezhnev's case and for six months in Andropov's. [redacted]

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Emphasis on Collectivity

Chernenko's quick designation as chairman of the funeral commission indicates the leadership's intention to demonstrate unity. Nevertheless, the presence of strong political rivals from the outset—something that Andropov did not have to face to the same extent—may lead to considerable maneuvering in the Politburo no matter who is chosen. [redacted]

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Under such circumstances, the new general secretary's position could be more vulnerable. Moreover, rivalry among younger leaders, such as party secretaries Gorbachev and Romanov, could become intense. [redacted]

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In addition, the progress Andropov made in consolidating his team at the plenum in December has the potential of working to the detriment of the new general secretary. The circle of Andropov's closest supporters—Gorbachev, Defense Minister Ustinov, and probably Foreign Minister Gromyko—was augmented by the promotions of Politburo candidates Solomentsev and Vorotnikov to full membership and of KGB chief Chebrikov to candidate status. If this group is able to work together and agree on basic programs, it could form the basis of a significant opposition to Chernenko.

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Prospects for Policy Change

The economy rebounded in 1983, with GNP growth estimated between 3.5 to 4 percent. Nonetheless, the key factors constraining economic growth since the late 1970s—declining increments to the labor force, slowing growth of capital stock, raw materials shortages, and transportation bottlenecks—will persist throughout the decade.

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Despite the need to take new approaches to deal with these problems, their complexity will make it difficult for the leadership to unite on a new approach. Moreover, any substantial reorientation of economic priorities would involve painful and politically risky trade-offs among investment, military spending, and consumption.

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The existing consensus on foreign policy is stronger than that on domestic issues, and major changes are even less likely in this area. Gromyko played a major foreign policy role under Andropov, and his influence probably will continue.

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The commitment to sustain the global dimensions of Soviet policy will endure. The new leadership, however, may want to renew an arms control dialogue with the US. The price the regime is willing to pay for this will depend on the priorities the new leadership establishes and the degree of unity it can maintain in pursuing its goal.

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